**(14)**

No. Pol. 148—P. P. 97-30-17, *7th August 1932.*

From

*The Chief Secretary to the Government of*
*His Highness the Maharaja of Mysore.*

To

*The Secretary to the Hon'ble the Resident in Mysore,*
*Bangalore.*

Sir,

I am directed to invite reference to your letter No. 3752—129-1931, dated 23rd May 1931, stating that the Government of India were taking action to place on official record the Memorandum presented to the Hon'ble the Secretary of State for India by the Dewan, Sir Mirza M. Ismail, on the question of the Mysore subsidy.

As the Hon'ble the Resident is aware, the subject of cash contributions by the States to the Government of India engaged the attention of the Round Table Conference and some of its Committees, and was finally remitted for examination to the Indian States Enquiry Committee (Financial), whose report has been just published.

I am to invite reference to paragraph 88 of the report of this Committee which reads as follows:—

"As regards tributes in general we have to advise as to their immediate reduction or eventual extinction on the lines recommended by the Federal Finance Sub-Committee. We have no hesitation in supporting the proposal of the Sub-Committee that the sum by which any contribution is in excess of five per cent of the total revenues of the State should be at once remitted. Our recommendations in general assume and are based on the accomplishment of Federation, but we believe that the intention was that we should be at liberty to advise, if we found it desirable, that this step should be taken without delay. The inequality of the payments is so marked, and in some cases their burden so heavy, rising in one case to as much as 40 per cent of the revenues of the State, that we hold that the relief should be immediate."

Further on (paragraph 90), the Committee recommend that contributions which remain payable after the remission above recommended should be extinguished at least *pari passu* with the income-tax contributions from the Provinces, and that a moiety should be extinguished at the latest in ten years from federation and the whole within twenty years.

The Durbar do not wish to advert at present to the latter part of this recommendation which contemplates the continuance of a portion of the contributions for so long a period as twenty years. Without prejudice to the representations that they may make in this behalf, when a suitable opportunity occurs, the Durbar earnestly request that effect may be given to the Committee's recommendation for the immediate remission of the amount of tribute, which is in excess of five per cent of the total revenues of the State. The Committee have stressed the fact that relief in this case is "intended to be immediate, that is to say, prior to Federation" (*vide* para 443).

The amount to be remitted according to the Committee's calculations, comes to Rs. 7,17,700 (*vide* Appendix IV—page 207 of the Report).

The relief recommended by the Committee is comparatively small, but such as it is, it will be of material help to the State during this time of acute financial stringency through which it is passing and the Durbar will be very grateful if the Government of India are pleased to issue early orders in the matter.

I have the honour to be
Sir,
Your most obedient servant,
N. MADHAVA RAO,
*Chief Secretary to Government.*